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**Japan's Trade  
in Ivory  
after the Tenth  
Conference of  
the Parties to  
CITES**

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**Front cover photograph:** Asian Elephant  
*Elephas maximus* and young.

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# Japan's Trade in Ivory after the Tenth Conference of the Parties to CITES

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*September 2002*

*Credit: Tokyo Customs*



**Ivory seizure in Japan, 2000.**

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### EXECUTIVE SUMMARY

The African Elephant *Loxodonta africana* was listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1977 and was transferred to Appendix I in 1989. For the tenth meeting of the Conference of the Parties to CITES (COP10), Botswana, Namibia and Zimbabwe each submitted separate proposals to transfer their elephant populations from Appendix I to Appendix II, under a series of restrictions and precautionary measures.

At the 41<sup>st</sup> meeting of the CITES Standing Committee, the terms and conditions to be met before trade in raw ivory could resume in accordance with *Decision 10.1* and the precautionary undertakings set out in Annotation °604 were verified as in place in the three range states referred to above and in one consumer state - Japan. A one-off experimental shipment of ivory arrived in Japan in July 1999 and subsequently was delivered to its buyers following a rigorous examination by Japanese Customs and the CITES Secretariat. The current study reviews the implementation of Japan's domestic control system and estimates Japan's annual consumption of ivory since COP 10. It also identifies factors that determine ivory prices among ivory traders in general and their relative importance.

Japan implements CITES through its Foreign Exchange and Foreign Trade Law (FEFTL) and its Customs Law. The commercial import and export of elephants and their parts and derivatives have been controlled by the FEFTL since 1980, and prohibited since 1990. Japan's domestic trade in CITES Appendix I-listed specimens is controlled under the Law for the Conservation of Endangered Species of Wild Fauna and Flora (LCES). The LCES prohibits the sale, transfer and display for sale of species listed on Appendix I of CITES. When dealers or individuals want to trade in raw tusks, or carved and polished tusks that retain their characteristic whole shape, they are required to register those tusks with the Environmental Agency (EA). A person only possessing ivory is not required to register it. The LCES was amended in 1994 to cover trade in cut ivory pieces that are one kg in weight or over and 20 cm in length or over, and not in the form of finished products. Finished ivory products can be certified through the use of adhesive seals issued by the Government, but the use of seals is not compulsory. Businesses engaged in domestic ivory trade (manufacturers, wholesalers and retailers) are required to notify the EA and the Ministry of International Trade and Industry or MITI (renamed the Ministry of Economy, Trade and Industry (METI) in 2001).

The number of registered dealers at the manufacturing and wholesale levels was 210 at the end of January 2000 (MITI official, *in litt.* to TRAFFIC East Asia-Japan, 1 March 2000). At the retail level, 9 832 *hanko* retailers registered with the government in September 1999.

The annual average stock of whole tusks from 1995 to 1998 was approximately 55 tonnes, and from 1999 to 2001 was about 98 tonnes. However, the total number of registered whole tusks does not represent the total available stocks of tusks in Japan. Two hundred and ten registered dealers held 75 174 kg at the end of July 1998; the same number of registered dealers held 63 799 kg at the end of July 1999 (MITI official, *in litt.* to TRAFFIC East Asia-Japan, 1 March 2000). The difference in stocks of cut pieces and scraps between 1997 and 1998 was 6 929 kg. The difference in stocks of cut pieces and scraps between 1998 and 1999 was 11 345 kg. These figures may be used to estimate Japan's annual consumption of ivory by weight.

Ivory from Botswana, Namibia, and Zimbabwe was imported to Japan in 1999. The total weight was 49 573.56kg (5 446 tusks). The total average weight per tusk was 9.1 kg. According to Japanese Customs statistics, the combined purchase price of ivory from the three African countries was Japanese Yen (JPY) 538 481 000

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(US\$4 682 443). The average price for ivory was JPY 10 862 (US\$94) per kilogram. By the end of 2001, registration cards for 2 795 (26 929 kg) tusks, which were imported from three African countries, were returned. This means about 54% of the tusks imported in 1999 were cut or sold by the end of 2001.

The average annual number of certification seals issued for *hanko* was 87 310 from 1998 to 2001. The average total annual weight of *hanko* for which certifications seals were issued was 1 527 kg from 1998 to 2001. This means the number of *hanko* produced annually was a minimum of 87 310, and the total annual weight of *hanko* products was at least 1 527 kg.

Japanese Customs reported 96 cases involving seizures of ivory products between January 1996 and June 1998. MITI provided this information to the Ministry of Foreign Affairs (MOFA) for inclusion in the Elephant Trade Information System (ETIS) overseen by the CITES Secretariat in July 2000.

TRAFFIC analysed the factors that determine ivory prices among ivory traders in general. According to analysis of the contribution rate, grain was the most important factor in determining price followed by appearance and part of tusk. The price of ivory that is smooth grained, of good appearance, from the centre part of the tusk, and pinkish in colour is relatively high. The importance of transparency and species of elephant were ranked low.

The Japanese Government has improved its domestic control system which appears adequate to meet the recommendations of *Resolution Conf. 10.10 (Rev.)*. However, a number of weaknesses in the system still need to be addressed. TRAFFIC makes the following recommendations to the Government of Japan:

- Strengthen the reporting system by submitting ledger data regularly according to a fixed reporting schedule.
- Improve the system to identify registered dealers at all levels to discourage trade with non-registered dealers.
- Collect and record data on stocks of cut pieces and whole tusks in the market during the same reporting periods in order to determine the total stock of the ivory available.
- Improve the ivory database system by linking it to the ledger system in order to clarify stock volumes for cut pieces.
- Improve the ledger recording system by recording the registration numbers of certification seals issued for ivory products.
- Carry out awareness programmes to inform the industry, especially at the retail level, and the general public of the domestic control system for ivory trade.
- Continue to report ivory seizure cases to the CITES Secretariat on a regular basis for inclusion in ETIS.
- Strengthen penalties for illegal trade and suspend for a fixed period the right of registered dealers to trade in ivory when a dealer is linked to illegal trade activities.
- Strengthen border controls by providing Customs officers with training on ETIS and with up-to-date information on developments in the regulation of ivory trade including recent smuggling trends

### INTRODUCTION

The African Elephant *Loxodonta africana* was listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 1977 and was transferred to Appendix I in 1989. At that time, the Parties to CITES recognised that populations of the species from certain range States might not have met the Berne Criteria for inclusion in Appendix I, these being the accepted criteria at that time (now replaced by *Resolution Conf. 9.24*). The Parties therefore approved in *Resolution Conf. 7.9* a special mechanism involving a review by a specially appointed Panel of Experts to serve as the basis for transferring certain populations of African Elephants from Appendix I to Appendix II (Anon., 2000a).

At the tenth meeting of the Conference of the Parties to CITES (COP10), Botswana, Namibia and Zimbabwe each submitted separate proposals to transfer their elephant populations from Appendix I to Appendix II, under a series of restrictions and precautionary measures. The Panel of Experts, in its report issued on 7 February 1996, concluded that the population status and management of elephants, including anti-poaching efforts, were adequate in all three countries. The Panel expressed some concern over domestic ivory trade controls, to varying degrees, in the proponent countries and in Japan, all of which took measures to address these shortcomings prior to COP10 (Harare, 1997). The Panel of Experts noted this progress in its report before that meeting, and acknowledged that, with the exception of Botswana, all outstanding issues had been satisfactorily rectified.

At COP10, modified versions of the proposals submitted by Botswana, Namibia and Zimbabwe were accepted by the Parties, who also adopted two decisions (10.1 and 10.2) and two resolutions (10.10 and 10.9) on trade in elephants and elephant products. Acceptance of the proposals resulted in the African Elephant populations of Botswana, Namibia and Zimbabwe being transferred from Appendix I to Appendix II subject to the following annotation:

°604 For the exclusive purpose of allowing: 1) export of hunting trophies for non-commercial purposes; 2) export of live animals to appropriate and acceptable destinations (Namibia: for non-commercial purposes only); 3) export of hides (Zimbabwe only); 4) export of leather goods and ivory carvings for non-commercial purposes (Zimbabwe only). No international trade in ivory is permitted before 18 months after the transfer to Appendix II comes into effect (i.e. 18 March 1999). Thereafter, under experimental quotas for raw ivory not exceeding 25.3 tonnes (Botswana), 13.8 tonnes (Namibia) and 20 tonnes (Zimbabwe), raw ivory may be exported to Japan subject to the conditions established in Decision of the Conference of the Parties regarding ivory No. 10.1. All other specimens shall be deemed to be specimens of species included in Appendix I and the trade in them shall be regulated accordingly.

*Decision 10.1* set out terms and conditions to be met before trade in raw ivory could resume. Among these was the condition that such trade could not resume until the relevant range States, the CITES Secretariat, TRAFFIC International and any other approved party agreed an international system for reporting and monitoring legal and illegal international trade, and an international system for reporting and monitoring illegal trade and illegal hunting within or between elephant range States.

*Decision 10.1* also determined that the Standing Committee should set in motion a mechanism for the transfer of elephant populations from Appendix II to Appendix I in the event of non-compliance with the conditions of *Decision 10.1*, or of the escalation of illegal hunting of elephants and/or trade in elephant products owing to the resumption of legal trade. In order to comply with the provisions of the Convention, the mechanism suggested

by the Secretariat and subsequently approved by the Standing Committee, involved the Standing Committee requesting the Depository Government (the Swiss Confederation) to prepare and submit the required proposal.

*Decision 10.1* additionally stated that the Standing Committee would identify, in co-operation with range States, any negative impacts of this conditional resumption of trade and determine and propose corrective measures.

*Resolution Conf.10.10 Trade in elephant specimens* also was adopted by COP10 with the Parties agreeing to the following:

*Regarding control of internal ivory trade*

*Recommends to those Parties in whose jurisdiction there is an ivory carving industry that is not yet structured, organised or controlled and to those Parties designated as ivory importing countries, that comprehensive internal legislative, regulatory and enforcement measures be adopted to:*

*a) register or license all importers, manufacturers, wholesalers and retailers dealing in raw, semi-worked or worked ivory products; and*

*b) introduce recording and inspection procedures to enable the Management Authority and other appropriate government agencies to monitor the flow of ivory within the State, particularly by means of:*

*i) compulsory trade controls over raw ivory; and*

*ii) a comprehensive and demonstrably effective reporting and enforcement system for worked ivory;*

At the 41<sup>st</sup> meeting of the Standing Committee (8-12 February 1999), the terms and conditions to be met before trade in raw ivory could resume in accordance with *Decision 10.1* and the precautionary undertakings set out in Annotation °604 were verified as in place (Doc. SC.42.10.2.1). As a consequence, auctions of the experimental quotas of ivory were held in Botswana, Namibia and Zimbabwe between 7 and 18 April 1999. The ivory arrived in Japan in July 1999 and subsequently was delivered to its buyers following a rigorous examination by Japanese Customs and the CITES Secretariat.

As Japan was the only country authorised to import ivory under the terms of the one-off experimental shipment in 1999, TRAFFIC East Asia-Japan chose to review Japan's ivory trade from 1997 to 2000. The objectives the study included reviewing the implementation of Japan's domestic control system and estimating Japan's annual consumption of ivory. The current paper describes the results of the study.

## METHODOLOGY

Between October and December 1999, TRAFFIC assessed Japan's ivory trade through a series of interviews, questionnaire surveys, and shop visits. The objective of the various activities was to document the implementation of Japan's domestic control system and to estimate Japan's annual consumption of ivory.

The questionnaires were designed to clarify trading structures and to provide information on actual stocks, prices, factors influencing price in Japan, and industry knowledge of the differences between ivory from African and Asian Elephants. In November 1999, questionnaires were mailed to a total of 2 722 ivory traders including, by

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sector, 14 importers, 198 manufacturers, seven wholesalers, and 2 500 randomly selected retailers. Retailers were all members of the Federation of Japanese Seal Engravers Cooperative (the FJSEC).

In total, 289 traders responded. More precisely, the breakdown of respondents was as follows: seven importers (50% of the sector), 25 manufacturers (12.5% of the sector), one wholesaler (10% of the sector), and 256 retailers (10.2% of the sector).

TRAFFIC identified seven factors that determine ivory prices among ivory traders in general. The seven factors were: grain, appearance, part of the tusk, density, colour, transparency and species of elephant. Each factor has two standard sets of characteristics. These factors and standards were integrated to make up eight quality profiles for cut ivory pieces. TRAFFIC chose one profile for a cut ivory piece to establish a base price and ivory traders priced the remaining seven profiles for cut pieces. Responses were analysed to determine which factors retailers attached greater importance to when they bid for stocks, and to determine the 'contribution rate', meaning the relative weight of each factor, and the 'effective value', the price associated with each factor. TRAFFIC drew up the questionnaires with assistance from specialists at the Sony Inc.'s Institute of Products and Lifestyle. Sony Young Laboratory Inc., a market research company, was engaged to compile and analyse the results.

TRAFFIC investigators selected 50 shops for examination between September and December 1999. The 50 shops, located in the Tokyo, Osaka and Nagoya areas, were chosen from advertisements placed in telephone directories (**Table 1**). The 50 shops consisted of 24 *hanko* retailers, 11 *hanko* discount /mail-order firms, five ivory speciality shops, five department stores, three large-scale stationary shops, and two wholesalers /retailers. Among the 50 shops, 43 shops had been surveyed repeatedly since 1996 and seven shops were newly added. When surveying the 50 shops, investigators focused on the current sales situation in shops and retail prices.

**Table 1**

### Location of ivory shops surveyed in Japan

	Tokyo	Osaka	Nagoya	Total
Hanko retail shops	17	4	3	24
Discount/mail order shops	9	1	1	11
Ivory speciality shops	5	-	-	5
Department stores	1	1	3	5
Stationery shops	2	1	-	3
Wholesalers/retailers	2	-	-	2
<b>Total</b>	<b>36</b>	<b>7</b>	<b>7</b>	<b>50</b>

**Note:** In January 2001, the Japanese Government renamed MITI, formerly the Ministry of International Trade and Industry, as the Ministry of Economy, Trade and Industry (METI) and reclassified the Environmental Agency (EA) as the Ministry of the Environment (MOE). However the current report uses the agencies earlier titles which were in place during the study period.

## THE IVORY TRADE IN JAPAN

### BACKGROUND

Japanese use ivory for carvings, traditional instruments and signature seals (known as *hanko* in Japanese). The term '*hanko*' is the final product, while '*inzai*' refers to the blanks used for making signature seals.

Historical records show that Japan began importing ivory products from China as early as the sixth century AD (Martin, 1985). By the sixteenth century, Japan was importing raw ivory. From 1882 to 1888, Japanese dealers imported an average of 8.3 tonnes annually, sourced mainly from Southeast Asia and derived from the Asian Elephant *Elephas maximus* (Martin, 1985). Japan started importing ivory from Africa in the 1920s, and, by the mid-1930s, almost all the raw ivory entering the country was from African Elephants (Martin, 1985). During the 1950s, Japan imported 70 tonnes of ivory annually. Consumption of ivory in Japan appears to have peaked in the period from the 1970s to the mid-1980s, when imports involved several hundred tonnes annually.

In 1989, the Parties to CITES agreed to list the African Elephant in Appendix I. The Appendix I listing essentially meant a complete ban on the international commercial trade in all elephants and elephant products. After the CITES ban, domestic ivory trade in Japan and elsewhere continued.

### TRADE RESTRICTIONS

#### Import controls

Japan implements CITES through its *Foreign Exchange and Foreign Trade Law* (FEFTL) and its *Customs Law*. The commercial import and export of elephants and their parts and derivatives have been controlled by the FEFTL since 1980, and prohibited since 1990.



Credit: TRAFFIC East Asia-Japan

Ivory imported from Southern Africa in 1999

In accordance with *Decision 10.1*, the Ministry of International Trade and Industry (MITI) revised import procedures for elephants and elephant products, including ivory, from the Appendix II populations of the three African countries (the Ministry of Foreign Affairs, *Notice No.449*, 18 September 1997). The import of live specimens, products and derivatives from Botswana, Namibia, and Zimbabwe requires prior confirmation by MITI, Japan's CITES Management Authority (MITI, *Import Annotation No.9-17*, 12 November 1997).

Under the terms of the CITES decision, Zimbabwe was also allowed to export ivory carvings for non-commercial purposes. MITI has assigned a specific HS code to record imports of ivory carvings for non-commercial purposes - HS code 9703 (MITI, *Import Annotation No.9-16*, 23 October 1997). HS code No. 9703 includes original sculptures and statuary, but does not include accessories.

### Domestic controls

Japan's domestic trade in CITES Appendix I-listed specimens is controlled under the *Law for the Conservation of Endangered Species of Wild Fauna and Flora* (LCES), adopted on 5 June 1992. The LCES prohibits the sale, transfer and display for sale of species listed on Appendix I of CITES. Possession is not covered under the LCES.

On 29 June 1994, the LCES was amended to cover trade in certain specified parts and derivatives including ivory, marine turtle carapaces, and monitor lizard skins (*Cabinet Order for the Implementation of the LCES, No.240*), with the amendment entering into effect on 28 June 1995. This amendment specified that elephant tusks and cut pieces 1 kg in weight or over and 20cm in length or over, and not in the form of finished products, would be covered under the LCES. An outline of the LCES control system introduced in 1995 follows.

Businesses engaged in domestic ivory trade (manufacturers and wholesalers excepting retailers) are required to notify the Environmental Agency (EA) and MITI (LCES [Article 33-2](#)). Registered traders are then required to keep records of the ivory they buy and sell ([Article 33-3](#)). It is not illegal for registered traders to sell or transfer cut ivory pieces to non-registered traders although it is illegal for non-registered dealers to buy cut pieces.

When dealers or individuals want to trade in raw tusks, or carved and polished tusks that retain their characteristic whole shape, they are required to register those tusks with the EA ([Article 20](#)). A person only possessing ivory is not required to register it. Registration cards are to be kept by the traders possessing registered tusks, and one card is prepared for each tusk ([Article 21](#)). The sale, transfer or cutting of registered tusks must be reported to the EA, and registration cards returned to the government ([Article 22](#)). When a dealer sells a tusk, he has to return the registration card and the dealer who has bought it must register it with the EA. Information from the registration cards is stored in a database maintained by the Japan Wildlife Research Centre, which is under the jurisdiction of the EA.

Once a tusk is cut, dealers can prepare management cards for pieces of cut tusks ([Article 33-6](#)). There is a specific format for management cards. These management cards are part of a system of product certification for ivory products derived from legally obtained materials. However, use of the management card with cut pieces is not compulsory.

Finished ivory products can be certified through the use of adhesive seals issued by the government, but, again, their use is not compulsory. Non-certified ivory products can be sold legally ([Article 33-7](#)). Certification seals are issued by the government as an incentive for preparing and maintaining management cards.



Certification seal issued by the Ministry of the Environment (MOE).

Credit: TRAFFIC East Asia-Japan

### CITES implementation

In February 1997, the CITES Panel of Experts identified areas where Japan should improve its domestic ivory control system (Anon, 1997a). Their comments included the following points:

- Controls for parts of tusks needed improvement;
- Rules had to be defined for the control of small cut pieces and scraps;

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- A method to verify scraps and waste had to be developed;
- Existing retail trade controls were inadequate to identify illegal ivory;
- More domestic inspections were needed, including inspection of stockpiles; and
- The software used for the existing database needed to be improved to allow adequate monitoring of stocks.

In response to the Panel of Experts' report, the Japanese government made a number of revisions to the domestic control system. Under the old system, the records kept by dealers were not detailed enough to identify the amount of scraps and waste which could not be utilised to produce finished products. This created an enforcement problem as, if the amount of scraps and waste were included in total stock figures, dealers could claim they made products from scraps and waste in order to cover the introduction of illegal ivory. The government revised the relevant ministerial ordinance to require the keeping of records including figures for cut pieces in May 1997 (Anon, 1997b). The revision entered into effect on 3 June 1997 (MITI, *Ordinance No.2*).

Under the revised management system, it is compulsory for registered ivory dealers to maintain ledgers recording each transaction including the following data: the tusk registration numbers, or management card numbers, company name and address, whether management cards are in use or not, the quantity of ivory bought or sold (unit: weight), the characteristics of cut pieces, and the remaining quantity in stock (unit: weight) (Anon, 1998a).

On 28 April 1998, a *Cabinet Order for the Implementation of the LCES* was amended to extend the scope of the law to regulate wholesalers and retailers of ivory *hanko* and *inzai*. The amended cabinet order came into effect on 18 March 1999 (MITI and EA, *in litt.*, September 1998).

The cabinet order requires that retailers who deal in ivory *hanko* and *inzai* also notify the EA and MITI, and maintain business ledgers. The retailers are required to record each transaction including data, company name and address, whether certification seals are in use or not, the quantity of ivory bought or sold (unit: pieces), the characteristics of *hanko* (diameter and length), and the remaining quantity in stock (unit: pieces) (Anon, 1998a).

Currently, businesses engaged in the domestic ivory trade at manufacturing, wholesale and retail levels, including mail-order businesses, must notify the government, and keep records in business ledgers. When the government requests provision of the ledger, dealers at all three levels must be able to provide them.

### ORGANISATION OF THE TRADE

The number of registered dealers at the manufacturing and wholesale levels was 210 at the end of January 2000 (MITI official, *in litt.* to TRAFFIC East Asia-Japan, 1 March 2000). In total, 219 dealers registered between 1995 and 1999, but nine dealers left the industry (MITI official, *in litt.* to TRAFFIC East Asia-Japan, 1 March 2000). At the retail level, 9 832 *hanko* retailers registered with the government in September 1999. The number of *hanko* manufacturers was 17 at the end of March 2000 (JWRC, 2000b).

In Japan, the relevant manufacturers' association is the Japan Federation of Ivory Art and Craft Associations (JFIAC). In December 1999, membership in JFIAC consisted of the Tokyo Ivory Art and Craft Association (39 members) and the Osaka Ivory Art and Craft Association (15 members). The relevant retailers' association is the Federation of Japanese Seal Engravers Co-operative (FISEC) with 3 475 members in December 1999.

Table 2

## Registration of whole tusks from 1995 to 2001

	1995		1996		1997		1998		1999		2000		2001	
	Wt(kg)	No.	Wt(kg)	No.	Wt(kg)	No.	Wt(kg)	No.	Wt(kg)	No.	Wt(kg)	No.	Wt(kg)	No.
<b>Registered tusks</b>	40 348	2 252	51 463	3 475	5 902	344	1 012	63	50 397	5 501	1 377	75	2 070	119
<b>Traded and cut tusks</b>	18 110	929	10 285	503	2 276	117	130	8	13 547	1 203	13 664	1 382	8 954	762
<b>Stock</b>	22 238	1 323	63 416	4 295	67 042	4 522	67 924	4 577	108 683	9 387	96 396	8 080	89 512	7 437

**Notes:** The data was calculated manually from 1995 to 1998, but was computer-generated from 1999 to 2001. "Wt (kg)" = weight in kilogrammes and "No." = Number of tusks.

*Source:* Environmental Agency, 1999, 2002

### STOCKS

Registration of ivory stocks began in 1995, but information on the amount of ivory stocks in Japan is not complete. Registration figures show estimated stocks of ivory held by traders and intended for domestic trade, but are not likely to reflect all the ivory held in Japan.

#### Whole tusks

On 1 July 1995, a compulsory registration scheme for whole tusks was implemented under the LCES. However, tusks need only be registered if the holder wishes to sell or transfer the tusks, and there is no time limit for registration. The EA holds data for registered whole tusks in an electronic database system (EA official, *in litt.* to TRAFFIC East Asia-Japan, 30 November 1999). Between 1 July and 31 December 1995, a total of 2 252 whole tusks, weighing 40 348 kg, were registered. Registration cards for 929 whole tusks with a total weight of 18 110 kg were returned, indicating the quantity of whole tusks that were cut or sold (**Table 2**).

From January to December 1996, an additional 3 475 whole tusks (51 463 kg) were registered, and registration cards for 503 tusks (10285 kg) were returned. The total stock of whole tusks went up to 4 295 (6 316 kg) at the end of 1996. In 1997, an additional 344 whole tusks (5 902 kg) were registered, and registration cards for 117 tusks (2 276 kg) were returned. In 1998, an additional 63 tusks (1 012 kg) were registered and registration cards for eight tusks (130 kg) were returned. In 1999, Japan imported 5 446 tusks from Botswana, Namibia and Zimbabwe.

The annual average stock of whole tusks from 1995 to 1998 was approximately 55 tonnes, and from 1999 to 2001 was about 98 tonnes. As explained earlier, when individuals who possess tusks intend to sell them, they can register the tusks. Therefore, the total number of registered whole tusks does not represent the total available stocks of tusks in Japan.

#### Stock held by registered dealers

On 1 July 1995, under the LCES, compulsory registration of ivory dealers who trade in cut pieces of 1 kg or more in weight, or pieces of 20 cm or more in length was introduced. Dealers who intend to deal in ivory are required to register with the government. The government holds the ledger data for each registered dealer's stock in a central database. The total stock of cut pieces is determined by combining the volumes of each registered dealer's stock (EA Official, *in litt.* to TRAFFIC East Asia-Japan, 30 November 1999).

The total stock of whole tusks, cut pieces and scraps was about 98 000 kg at the end of July 1995 (Kiyono, 1995). The total stock of whole tusks, cut pieces and scraps was 82 103 kg at the end of July 1997 (EA Official, *in litt.* to TRAFFIC East Asia-Japan, 1998) (**Table 3**). Two hundred and ten registered dealers held 75 174 kg at the end of July 1998; the same number of registered dealers held 63 799 kg at the end of July 1999 (MITI official, *in litt.* to TRAFFIC East Asia-Japan, 1 March 2000).

The difference in stocks of whole tusks, cut pieces and scraps between 1997 and 1998 was 6 929 kg. The difference in stocks of whole tusks, cut pieces and scraps between 1998 and 1999 was 11 345 kg. These figures may be used to estimate Japan's annual consumption of ivory by weight.

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### IVORY IMPORTS IN 1999

Under the terms of CITES *Decision 10.1*, ivory auctions were held in Botswana, Namibia, and Zimbabwe for Japanese buyers in April 1999. A total of 15 dealers purchased ivory from the three African countries (**Table 4**). The shipments were imported into Japan on 16 July 1999.

**Table 3**

#### Stocks held by registered dealers (kg)

End of July 1997	End of July 1998	End of July 1999
82 102.68	75 174.05	63 799.09

Source: EA, 1998; MITI, 2000

**Table 4**

#### Ivory imported to Japan in 1999 from the three African countries by dealer (pieces; kg)

Importer	Total number of tusks (pieces)			Total volume of registered tusks (kg)				
	Total number	Country of origin			Total weight (kg)	Country of origin		
		Zimbabwe	Namibia	Botswana		Zimbabwe	Namibia	Botswana
1	266	66	87	113	2,491.19	1,019.25	469.87	1,002.07
2	534	261	186	87	5,517.17	3,544.00	960.92	1,012.25
3	303	96	91	116	3,043.63	1,548.50	480.93	1,014.20
4	121	67	0	54	1,517.45	1,017.00	0.00	500.45
5	156	60	0	96	2,026.10	1,022.75	0.00	1,003.35
6	523	80	262	181	4,785.45	1,391.00	1,363.53	2,030.92
7	1,012	196	274	542	9,073.96	3,115.20	1,444.82	4,513.94
8	347	71	173	103	2,970.49	1,037.50	996.99	936.00
9	325	114	180	31	2,973.56	1,564.25	947.96	461.35
10	544	67	378	99	3,912.16	1,043.00	1,897.35	971.81
11	592	104	368	120	4,447.41	1,532.00	1,958.96	956.45
12	276	70	90	116	2,659.81	1,091.75	485.46	1,082.60
13	263	30	116	117	2,478.58	518.25	910.48	1,049.85
14	150	0	88	62	1,158.35	0.00	498.80	659.55
15	34	34	0	0	518.25	518.25	0.00	0.00
	5,446	1,316	2,293	1,837	49,573.56	19,962.70	12,416.07	17,194.79

Source: MITI

## Japan's Trade in Ivory after the Tenth Conference of the Parties to CITES

In December 1999, the CITES Secretariat conducted a verification mission to confirm that the ivory imported from the auctions in southern Africa had been registered. The CITES Secretariat reported the Japan's ivory trade control legislation had been applied effectively (Anon., 2000c).

### Weight and price

The ivory from Botswana, Namibia, and Zimbabwe, combined in a single shipment, was imported to Japan on 16 July 1999. The total weight was 49 573.56 kg (5 446 tusks). The average weight per tusk from Zimbabwe was 15.17 kg, from Botswana was 9.36 kg and from Namibia was 6.29 kg. The total average weight per tusk is 9.1 kg.

According to Japanese Customs statistics, the combined purchase price of ivory from the three African countries was Japanese Yen (JPY) 538 481 000 (US\$4 682 443). The average price for ivory was JPY10 862 (US\$94) per kilogram. The average price for ivory from each country was: Botswana - JPY12 113 (US\$105)(Exchange rate = USD1:JPY115) per kilogram; Namibia - JPY6 748 (US\$59) per kilogram; and Zimbabwe - JPY12 411(US\$108) per kilogram.

### Sale and cutting of the Southern African shipment

The total number of whole tusks imported in 1999 was 5 446 tusks (49 574 kg). Registration cards for 924 tusks (8 926kg) imported from the three Southern African countries were returned to the government by the end of December 1999 (**Table 5**). This indicates that approximately 17% of the tusks imported in 1999 were cut or sold by the end of the year. By the end of 2001, registration cards for a total of 2 795 tusks (26 929 kg) were returned to the government indicating that a total of 54% of the tusks imported in 1999 were cut or sold by the end of 2001.

**Table 5**

#### Registration cards returned for whole tusks imported from the three African countries

	1999				2001			
	Botswana	Namibia	Zimbabwe	Total	Botswana	Namibia	Zimbabwe	Total
<b>No. of tusks</b>	425	347	152	924	1 111	921	763	2 795
<b>Wt. of tusks</b>	3 801	2 820	2 304	8 926	9 621	6 224	11 084	26 929

Source: Ministry of Environment, 2002

### Number of hanko produced from the tusks imported from the Southern African shipment

A total of 36 923 certification seals were issued for *hanko* made from ivory imported from Botswana, Namibia, and Zimbabwe in 1999. As 107 333 certification seals were issued for all *hanko* produced in 1999, *hanko* made from ivory imported from the three countries accounted for about 34.4% of all *hanko* produced in that year.

### IMPLEMENTATION OF THE DOMESTIC CONTROL SYSTEM

#### Investigations

In terms of investigating the domestic market, prior to COP 10, the government investigated two or three dealers per month (MITI official, pers. comm. to TRAFFIC East Asia-Japan, January 1999). The rate of investigation subsequently increased to at least once every week and to two to four premises per inspection (Anon, 1998b).

#### The database system

The Japan Wildlife Research Center (JWRC) has been engaged by the EA to maintain two ivory databases as part of the management system. One is the database system for managing whole tusks. Whole tusks are controlled through the use of registration cards. The JWRC maintains a database of whole tusk trade including registration numbers, length, weight, tusk markings, and cut/transfer data. The second database system is for the issuance of certification seals. The stock information of all registered dealers is held in the database. When a manufacturer applies for the issuance of seals, JWRC issues the seals.

TRAFFIC East Asia-Japan reviewed the database system after it was improved according to the recommendations of the CITES Panel of Experts. When manufacturers apply for certification seals, the JWRC inputs the information into the database. The JWRC examines the volume and type of ivory. If the weight of products is more than 60% of original tusks or cut pieces, the database issues an alarm. When products are affixed with certification seals, it is possible to trace individual products back to the original tusk or cut piece. Updated data on the stock of each registered dealer is maintained in the database.

However, if manufacturers do not apply for certification seals, it is impossible to trace products back to the original tusk or cut piece and stock data is not updated.

#### The certification seal system

According to the JWRC, 966 588 certification seals were issued for ivory products between 1 July 1995 and 31 December 1996. Of this number, 926 836 seals (95.9%) were issued for *hanko* (JWRC, 1997). The number of certification seals issued for ivory products from April 1997 to December 2001 are detailed in **Tables 6-1** and **6-2**. The annual average number of certification seal issued for *hanko* was 87 310 between 1998 and 2001. The total annual average weight of *hanko* for which certification seals were issued was 1 527 kg between 1998 and 2001. This means the number of *hanko* produced annually was a minimum of 87 310, and the total annual weight of *hanko* products was at least 1 527 kg.

Between October and December 1999, TRAFFIC East Asia-Japan surveyed 50 stores to ascertain implementation of the voluntary product-certification scheme, ways of presentation of *hanko* and certification seals, dealers' understanding of new regulations, and recent developments in the *hanko* trade.

Investigators found that 35 out of 50 shops sold products with certification seals issued by the Government. Of the 35 shops carrying products with certification seals, 14 shops displayed certification seals for all *hanko* on view. In the remaining shops, only sample certification seals were displayed.

Table 6.1: Number of certification seals issued by the Government for ivory products, 1997-2001

Table 6.2: Ivory products issued certification seals by weight, 1997-2001 (kg)

	Apr-Dec 1997		Jan-Dec 1998		Jan-Dec 1999		Jan-Dec 2000		Jan-Dec 2001	
Hanko	86 499	98.65%	73 388	97.99%	107 333	90.95%	85 134	94.34%	83 383	97.3%
Ornaments	453	0.52%	537	0.72%	519	0.44%	890	0.99%	793	0.93%
Accessories	565	0.64%	558	0.75%	8 744	7.41%	2 831	3.14%	481	0.56%
Musical instruments	10	0.01%	0	0	0	0	0	0	0	0
Recreation accessories (Mah-jong, etc.)	0	0	0	0	0	0	4	0	0	0
Table implements	146	0.17%	399	0.53%	1 140	0.97%	984	1.09%	180	0.21%
Writing implements	8	0.01%	5	0.01%	6	0	3	0	32	0.04%
Tobacco implements	0	0	0	0	203	0.17%	239	0.26%	62	0.07%
Buddhist prayer beads	0	0	0	0	0	0	50	0.06%	695	0.81%
Lids for tea accessories	5	0.01%	10	0.01	0	0	5	0.01%	3	0
Everyday items	0	0	0	0	74	0.06	100	0.11%	72	0.08%
<b>Total</b>	<b>87 686</b>	<b>100%</b>	<b>74 897</b>	<b>100%</b>	<b>118 019</b>	<b>100%</b>	<b>90 240</b>	<b>100%</b>	<b>85 701</b>	<b>100%</b>

	Apr-Dec 1997		Jan-Dec 1998		Jan-Dec 1999		Jan-Dec2000		Jan-Dec2001	
Hanko	1 341.25	84.76%	1 318.32	90.48%	1 835.63	87.47%	1 562.47	85.87%	1 392.95	90.05%
Ornaments	221.41	13.99%	111.42	8.35%	124.28	5.92%	184.25	10.13%	123.29	7.97%
Accessories	13.22	0.84%	5.01	0.32%	96.46	4.60%	30.23	1.66%	7.72	0.5%
Musical instruments	0.71	0.04%	0	0	0	0	0	0	0	0
Recreation accessories (Mah-jong, etc.)	0	0	0	0	0	0	0.04	0	0	0
Table implements	4.58	0.29%	12.26	0.84%	37.01	1.76%	28.77	1.58%	5.29	0.34%
Writing implements	0.37	0	0.10	0.01%	0.14	0	0.26	0.01%	4.61	0.3%
Tobacco implements	0	0	0	0	4.27	0.20%	11.19	0.61%	2.17	0.14%
Buddhist prayer beads	0	0	0	0	0	0	2.00	0.11%	10.04	0.65%
Lids for tea accessories	0.85	0.05%	0.07	0	0	0	0.05	0	0.30	0.02%
Everyday items	0	0	0	0	0.80	0.04%	0.40	0.02%	0.48	0.03%
<b>Total</b>	<b>1 582.38</b>	<b>99.98%</b>	<b>1 447.18</b>	<b>100%</b>	<b>2 098.59</b>	<b>99.99%</b>	<b>1 819.66</b>	<b>100%</b>	<b>1 546.85</b>	<b>100%</b>

Source: JWRC, 1999, 2002

### Introduction of an industry certification scheme

The official certification seal system was introduced in 1995. The Japanese government decided that the issuance of certification seal for existing retail stock would be a one-time activity and no certification seals for existing stocks would be issued subsequently. However, some retailers did not apply for certification seals for *hanko* stocks acquired before 1995 as the system was voluntary. In recent years, however, some retailers have come to believe that the use of the certification seals improves ivory *hanko* sales. Retailers with *hanko* stocks lacking certification seals have asked the government to issue the seals for their stocks. However, government policy continues to be not to issue certification seals for *hanko* stocks. Retailers requested that the FISEC provide a solution to the matter.

In response, the FISEC developed a parallel certification scheme. In 1998, representatives of the FISEC established the National Seal Engravers Co-operative Commission as an association of retailers and wholesalers to issue ivory seals. On 18 March 1999, the FISEC issued its own seals for retailers' stocks of ivory *hanko*.

Although the two seals can be distinguished, the FISEC ivory seal resembles the government's certification seal in terms of size and shape. The industry seal carries a stylised elephant's head, the name of the Commission, and text reading "to support the international conservation of wild fauna and flora". However, the industry seal does not carry a serial number. The seals are printed on sheets of special security paper to prevent unauthorised copying. The fee for each seal was JPY60 (USD0.50) (Exchange rate = USD1:JPY115). By 18 March 1999, the FISEC had issued 57 799 ivory seals. The FISEC stated that this issuance of ivory seals was meant to be a one-time occurrence. TRAFFIC researchers were unable to find FISEC seals at the 50 shops surveyed in 1999. The FISEC ivory seal is not a law enforcement tool but simply an industry attempt at green labelling.

### THE IDENTIFICATION OF ASIAN ELEPHANT IVORY AND AFRICAN ELEPHANT IVORY

It is difficult to define the distinguishing characteristics between Asian and African elephant ivory. While Asian Elephant ivory is often believed to be the 'ideal' ivory material, it is seldom seen in the market today (JFIAC member, pers. comm. to TRAFFIC East Asia-Japan, November 1999).

TRAFFIC surveyed ivory dealers to determine their perceived ability to identify Asian Elephant ivory from African. Through a questionnaire, dealers were asked to state their ability to differentiate between Asian and African ivory. Fifty-three retailers (20.7% of all respondents at the retail level) answered that they were able to differentiate between Asian Elephant ivory and African Elephant ivory. However, it was not clear how retailers were able to distinguish between Asian and African elephant ivory as many deal primarily with finished *hanko*. While questionnaires were sent to all levels of ivory dealers, replies from dealers at other levels of the industry were insufficient for statistically valid analysis.



Tusk and cut piece of ivory in a Japanese carver's shop

Credit: TRAFFIC East Asia-Japan

**DETERMINING THE PRICE OF IVORY**

TRAFFIC analysed the factors that determine ivory prices among ivory traders in general. The following seven factors were identified: grain, appearance, part of the tusk, density, colour, transparency and species of elephant. Each factor has two standard sets of characteristics as described below (see **Table 7**). These factors and standards can be integrated to make up eight quality profiles for cut ivory pieces based on the above characteristics. One

**Table 7**

**Characteristics influencing prices for ivory products in the Japanese marketplace**

Factor	Standard	
Grain	Fine	Coarse
Appearance	Attractive	Not attractive
Part of the tusk	Core	Far from core
Density	Hard	Soft
Colour	Milky	Pinkish
Transparency	Translucent	Opaque
Species of elephant	Asian	African

**Table 8**

**Hanko prices in the 1999 survey**

Sample 1	13.5 mm x 60 mm		15 mm x 60 mm	
	Retail shop	Discount shop	Retail shop	Discount shop
	30 000	18 800	35 000	19 800
1	30 000	18 800	35 000	19 800
2	45 000	16 000	59 800	18 000
3	19 000	12 000	19 800	12 000
4	19 800	14 000	28 800	17 000
5	38 000	22 400	49 800	12 000
6	40 000	9 000	50 000	19 800
7	20 000	17 300	28 000	17 000
8	19 600	14 000	19 800	9 800
9	23 800	8 900	69 400	11 000
10	51 600	9 800	46 400	24 500
11	49 800	19 800	48 000	
12	35 680		48 100	
13	30 000		23 000	
14	40 000		25 000	
15	46 000		40 000	
16	17 000		39 999	
17	19 500		32 000	
18	29 500			
19	29 999			
20	28 000			
Average	31 614	14 727	38 994	16 090

example of a cut piece profile is a piece made from ivory which is: soft, ivory coloured, fine grained, attractive in appearance, from the centre part of the tusk, highly translucent, and originating from an African elephant. TRAFFIC chose one profile for a cut ivory piece as a base price and ivory traders priced the remaining seven profiles of cut pieces. Sony Young Laboratory specialists analysed 52 responses from ivory dealers to determine which factors retailers attached greater importance to when they bid for stocks.

The 'contribution rate', meaning relative weight of each factor, and the 'effective value', the price associated with each factor, were calculated in terms of the prices given by traders (**Figure 2**). The effective value explained which standard was more highly valued. The contribution rates, the relative weight of each factor, is as follows: grain = 25.2%; appearance = 23.6%; part of tusk = 17.9%; density = 12.1%; colour = 11.6%; transparency = 7.3%; species of elephant = 2.4%. The highest of the eight quality profiles was a cut piece made from ivory that was "fine" grained, "attractive" in appearance, cut from the "centre" or core, "hard" in texture, and "pinkish" in colour. Interestingly, only 20% of traders recognised species of elephant, Asian or African, as influencing price.

According to analysis of the contribution rate, grain was the most important factor in determining price followed by appearance and part of tusk. According to the effective value, the price of ivory that is smooth grained, of good appearance, from the centre part of the tusk, and pinkish in colour is relatively high. The importance of transparency and species of elephant were ranked lower in terms of the contribution rate.

TRAFFIC surveyed for the retail price of ivory *hanko* in 1996 and again in 1999. In 1996, sample prices for *hanko* ranged from JPY8 800 (US\$70) to JPY88 000 (US\$ 725) for *hanko* sized at 13.5mm x 60mm, and from JPY9800 (US\$80) to JPY80000 (US\$ 660) for *hanko* sized at 15mm x 60mm (Exchange rate = USD1:JPY125 in 1996). Prices from the 1999 survey are detailed in **Table 8**. Retail prices in 1999 ranged from JPY8900 (US\$77) to JPY70 000 (US\$609) for a *hanko* sized at 13.5mm x 60mm, and from JPY9 800 (US\$85) to JPY80 000 (US\$ 696) for a *hanko* sized at 15mm x 60mm (Exchange rate = USD1:JPY115 in 1999).

In 1999, the average price of a *hanko* sized 13.5mm x 60mm was about JPY31 600 (US\$275) at retail shops, and JPY14 700 (US\$128) at discount shops. The price at discount shops was about half that of retail shops.

### REPORTED SEIZURES

Japanese Customs reported 112 cases involving seizures of ivory products between January 1996 and December 2001 (**Table 9**). Some of these products were abandoned voluntarily, and some were seized by Customs officers and resulted in penalties for importers. Seized products are destroyed except for products retained for public awareness purposes such as CITES displays or exhibitions. In August 2000, METI (formerly MITI) provided seizure information for a period from 1995 to 1999 to the Ministry of Foreign Affairs (MOFA) for inclusion in the Elephant Trade Information System (ETIS) overseen by the CITES Secretariat. The Japanese government has continued to provide ivory seizure information using the standard ETIS format since 2000.

On 26 April 2000, Tokyo Customs seized 132 cut pieces of ivory weighing approximately 500 kg. According to the police and Customs, the pieces were hidden among 300 boxes of chopsticks shipped from Singapore to Kobe, Japan. According to the Japanese government, the tusks were marked "BE/XX/ 89. The police arrested two men on suspicion of smuggling ivory. A Hong Kong resident imported the shipment to Japan. A Japanese manufacturer of ivory products went to receive the shipment in Saitama prefecture. The manufacturer was also a board member of the Japan Ivory Association. The Hong Kong resident was sentenced in the district court to an 18-month suspended sentence with an additional four years probationary period. The Japanese national was

Figure 2

The relative weight of factors affecting ivory prices

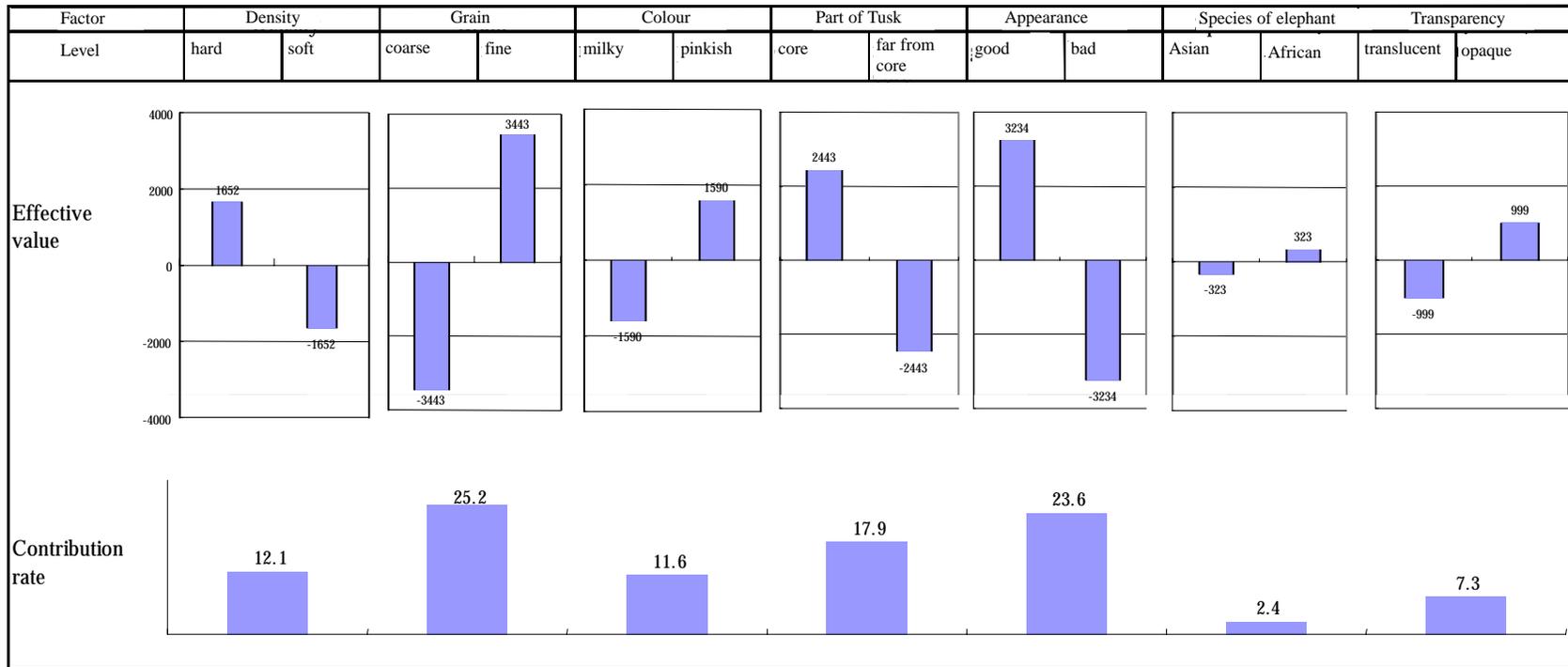


Table 9

## Seizures involving ivory products, 1996 to 2001

Year	Country of export	No. of seizure cases	Type of (ivory) items	Quantity (pieces)	Notes
1996	China	9	Hanko materials, handicrafts, hanko, Tusks	46	Also included materials other than ivory
	Thailand	6	Accessories, purses, ornaments, hanko materials	19	
	USA	4	Ornaments, tusks, chopsticks, hanko materials	5	
	Hong Kong	4	Hanko materials, accessories, ornaments	7	
	Vietnam	2	Hanko materials	43	
	Malaysia	2	Tusks, ivory products	4	
	Taiwan	1	Pipes, tusks	1	
	UK	2	Hanko materials	8	
	Kenya	1	Hanko materials	2	
	Mozambique	1	Accessories	1	
	Turkey	1	Accessories	4	
	Italy	1	Piano keys	101	
	Namibia	1	Ornaments	3	
	Singapore	1	Hanko materials	13800	
	Unknown	1	Products	1	
1997	China	11	Ivory products	66	
	Canada	1	Ivory products	28	
	USA	1	Piano keys	1	
	Hong Kong	1	Ivory products	1	
	Vietnam	5	Ivory products	8	
	Taiwan	1	Ivory products	1	
	Cote d'Ivoire	2	Tusks, ivory products	11	
	Namibia	1	Ivory products	3	
1998	Korea	4	Tusks, ornaments	11	
	Thailand	2	Hanko material	3	
	China	5	Hanko materials, medicines	138	
	Hong Kong	1	Hanko materials, ornaments	145	
	Ghana	1	Hanko materials, accessories	51	
	USA	1	Hide	3	
	UK	2	Ivory products	3	Post
	Canarias Islands	1	Ornaments	3	
	Zimbabwe	1	Tusks	5	
	Unknown	1	Tusks	7	
	1999	Zimbabwe	2	Hide, products	3
Senegal		2	Tusks	3	
Thailand		1	Hide	1	
Taiwan		1	Products	3	
China		6	Products, medicine	27	
Philippines		1	Tusks	1	
Vietnam		1	Products	1	
Hong Kong		2	Products, hanko materials	1 201	
South Africa		2	Products	7	
2000		Singapore	1	Cut pieces	132 (500kg)
	USA	2	Worked ivory	1 (unknown)	Post
				1(0.015kg)	Post
	Unknown	1	Bag, wallet	5	Post
	Vietnam	1	Worked ivory	15 (0.087kg)	
			Semi-worked ivory	108 (1.92kg)	
	Nigeria	1	Worked ivory	2 (2.8kg)	
	China	2	Worked ivory	2 (0.72kg)	
		Medicine powder	1box (0.5g)		
2001	Thailand	2	Worked ivory	2 (0.84kg)	
			Semi-worked ivory	5 (0.14kg)	
	Bangladesh	1	Worked ivory	97 (2.7kg)	
	Germany	2	Worked ivory	2 (1.3kg)	
	Hong Kong	1	Worked ivory	2 (0.03kg)	
	China	1	Worked ivory	11 (0.6kg)	Post

 Source: Japanese Ministry of Finance, *in litt.* to TRAFFIC East Asia-Japan, 3 July 2000, 25 June 2002

fined JPY300 000 (USD2 679)(Exchange rate = USD1:JPY112 in 2000) for violating the *Customs Law*. However, he could continue to operate as a registered ivory dealer under the LCES, as there is no automatic link between the *Customs Law* and LCES.

### DISCUSSION AND CONCLUSIONS

The Japanese Government has improved its domestic control system in accordance with the recommendations of the 1997 report of the CITES Panels of Experts and Japan's control of its internal ivory trade seems adequate to meet the recommendations of *Resolution Conf.10.10 (Rev.)*. However, a number of weaknesses in the system still need to be addressed.

Registered dealers at each level are required to keep ledgers and report on the contents at the request of officials representing the Minister of MITI and the Director General of the EA. Although the report of the CITES Secretariat to the forty-first meeting of the CITES Standing Committee (Seller, 1999) states that annual returns from ledgers must be submitted to the MITI, the LCES does not fix a specific reporting schedule.

Japan also has revised the ivory database system maintained by the Japan Wildlife Research Center (JWRC). It should be possible to estimate the volume of ivory coming into the wholesale level of the Japanese marketplace based on registration information for whole tusks and cut pieces. Despite the revisions to the ivory database system, stocks of whole tusks and stocks of cut pieces continue to be managed under different schemes making it impossible to get a clear picture of the total stock of ivory in the marketplace.

Data for whole tusks and cut pieces are recorded for different annual periods and cannot be combined to provide an approximate annual total. Even if the reporting periods are adjusted to coincide, the picture will still be incomplete as i) dealers are required to register only those tusks they intend to put into the market during that year; and ii) overall stock data is not updated at JWRC for dealers who do not apply for certification seals although information is recorded in individual ledgers.

Under the new system, when a manufacturer requests the issuance of certification seals, a warning message is displayed if any incongruity is detected. A follow-up enquiry is then made by MITI. However, there still is no clear link between the database and the mandatory ledger system. If a dealer does not apply for the certification seals, the stock data does not change making it impossible to determine the stock of cut pieces from the database system.

During its second inspection (December, 1999) the CITES Secretariat recommended that manufacturers and wholesalers record in their ledgers the certification seal numbers so that the records in the JWRC database could be traced through the ledgers to the individual retailers (COP11 Doc.11.31.1, CITES Secretariat). However, MITI has not yet incorporated this recommendation into its inspection procedures. Currently, dealers only are required to record whether certification seals for individual pieces exist or not.

Since 18 March 1999, it has been mandatory for ivory retailers to register with the government and to maintain ledgers of their ivory stocks and sales. Nine MITI branch offices have been given responsibility for monitoring and inspection. When TRAFFIC attempted to interview these MITI branches in 1999, they declined, stating that implementation of the system had just started and they did not have sufficient information to evaluate the system yet. TRAFFIC found that one of Japan's biggest mail-order stationary companies, which deals in *hanko*, did not register as an ivory dealer. The failure to register on the part of retailers, whether deliberate or a result of lack of

awareness, is abetted by current regulations which make it illegal for non-registered dealers to purchase cut pieces, but not illegal for registered dealers to sell or transfer cut pieces to non-registered dealers.

Japanese Customs reported 112 cases involving seizures of ivory products between January 1996 and December 2001 including a seizure of 132 cut pieces of ivory weighing approximately 500 kg in April 2000. The April 2000 case involved a Japanese ivory dealer and highlighted an important loophole in the current regulatory system. When a dealer commits a violation of the Customs Law, he can continue to operate as a registered ivory dealer under the LCES as there are no clear links between the relevant pieces of legislation.

With the exception of the one-off import from the three southern African countries that took place in 1999, the FEFTL prohibits international trade in ivory. Customs officers are the frontline agency responsible for monitoring international trade. However, Customs officers are provided with little information on the role of Japan in the ivory trade or the commitments by Japan which lead to the decision by CITES to allow the one-off ivory shipment in 1999. This decision was made in recognition of Japan's strict control systems for both domestic and international ivory trade.

According to TRAFFIC'S research into factors affecting prices for ivory, the price of a piece of ivory that is smooth grained, of good appearance, from the centre part of the tusk, and pinkish in colour is relatively high. Transparency and species of elephant were found to be of lesser importance in terms of their influence on price.

### RECOMMENDATIONS

At the 41<sup>st</sup> meeting, the Standing Committee agreed that Japan had completed with all relevant conditions that could be met prior to the experimental sale, making Japan the only country able to legally import ivory from the one-off Southern African shipment carried out in 1999. Japan is required to provide the safeguards necessary to minimise illegal trade in both the short- and the long-term. Therefore, TRAFFIC makes the following recommendations to the Government of Japan:

- Strengthen the reporting system by submitting ledger data regularly according to a fixed reporting schedule.
- Improve the system to identify registered dealers at all levels to discourage trade with non-registered dealers.
- Collect and record data on stocks of cut pieces and whole tusks in the market during the same reporting periods in order to determine the total stock of the ivory available.
- Improve the ivory database system by linking it to the ledger system in order to clarify stock volumes for cut pieces.
- Improve the ledger recording system by recording the registration numbers of certification seals issued for ivory products.
- Carry out awareness programmes to inform the industry, especially at the retail level, and the general public of the domestic control system for ivory trade.
- Continue to report ivory seizure cases to the CITES Secretariat on a regular basis for inclusion in ETIS.

## Japan's Trade in Ivory after the Tenth Conference of the Parties to CITES

- Strengthen penalties for illegal trade and suspend for a fixed period the right of registered dealers to trade in ivory when a dealer is linked to illegal trade activities.
- Strengthen border controls by providing Customs officers with training on ETIS and with up-to-date information on developments in the regulation of ivory trade including recent smuggling trends.

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